
OLR Bill Analysis

sSB 149

AN ACT CONCERNING THE DENIAL OF UNEMPLOYMENT COMPENSATION BENEFITS TO CERTAIN DRIVERS WHO ARE UNEMPLOYED AS A RESULT OF A DRUG OR ALCOHOL TEST.

SUMMARY:

Under certain circumstances, this bill allows private sector employers of professional drivers to discharge or suspend a driver without affecting the employer's unemployment taxes. It creates a "non-charge" against an employer's unemployment experience rate when an employer discharges or suspends an employee because the employee needs a commercial driver's license (CDL) or non-commercial license with a "V" or "F" endorsement to perform his or her job, but the license was suspended or revoked under state or federal law. In effect, the bill allows the discharged or suspended employee to collect unemployment benefits, as under current law, without increasing the employer's unemployment taxes (see BACKGROUND). As with other non-charging separations, the employer must notify the unemployment administrator of the circumstances within 21 days after receiving notice that the former employee is eligible for benefits.

The bill does not apply to employees who can prove that they lost their license due to a medical condition that disqualified them for a CDL under federal regulations (e.g., limb impairment, diabetes requiring insulin for control, respiratory dysfunction). As under current law, these employees can claim unemployment benefits that will be charged against the employer's experience rate.

EFFECTIVE DATE: October 1, 2012

BACKGROUND

Unemployment Experience Rate

In general, a significant portion of a private sector employer's unemployment insurance taxes are based on the employer's "experience rate," which reflects the amount of unemployment benefits paid to the employer's former employees over a certain period of time. Typically, laying off employees leads to a higher experience rate, up to a statutorily defined limit, and thus higher unemployment taxes for the employer. The law allows several non-charging separations in which an employee can collect benefits without affecting a former employer's experience rate (e.g., voluntarily leaving work to care for a seriously ill spouse, parent, or child). In these instances, the benefits paid to the former employee are "pooled" and paid by all employers who pay unemployment taxes.

"V" and "F" Endorsements

A "V" endorsement on a non-CDL allows a driver to transport students to or from school, school programs, and school sponsored events in vehicles other than registered school buses. An "F" endorsement applies to taxi and livery service drivers.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9 Nay 1 (03/20/2012)